

Getting Started

Our Objective Today
to Help You Understand the

A, **B**, **C** & **D** 's

of Medicare from a
Consumer's point of view

What Is Medicare?

- Federal Health Program for people:
 - 65 and older
 - Under 65 with certain disabilities
 - Any age with End-Stage Renal Disease

Original Medicare Parts A and B were signed into Law on July 30, 1965, under Lyndon Johnson

FIRST BABY BOOMER – Kathleen Kirschling

- Born 1 second past Midnight Jan. 1 1946
- 1st Boomer to file for Soc Sec Benefits October 2007
- 1st Boomer to file for Medicare October 2010

Kicking off a 20-year span where **80 million** Americans will transition to Medicare

THAT'S **11 -14,000** PEOPLE A DAY
TURNING AGE 65 until 2030.

Current aprox. 64 mil in Medicare by 2030
will be over **80,000,000 WOW!!**



Who Runs Medicare?



- Centers for Medicare & Medicaid Services – CMS
CMS also operates Medicaid and The Affordable Care Act (OBAMACARE)
- You Enroll via the Social Security Administration

The Four Parts of Medicare



**Part A
Hospital
Insurance**



**Part B
Medical
Insurance**

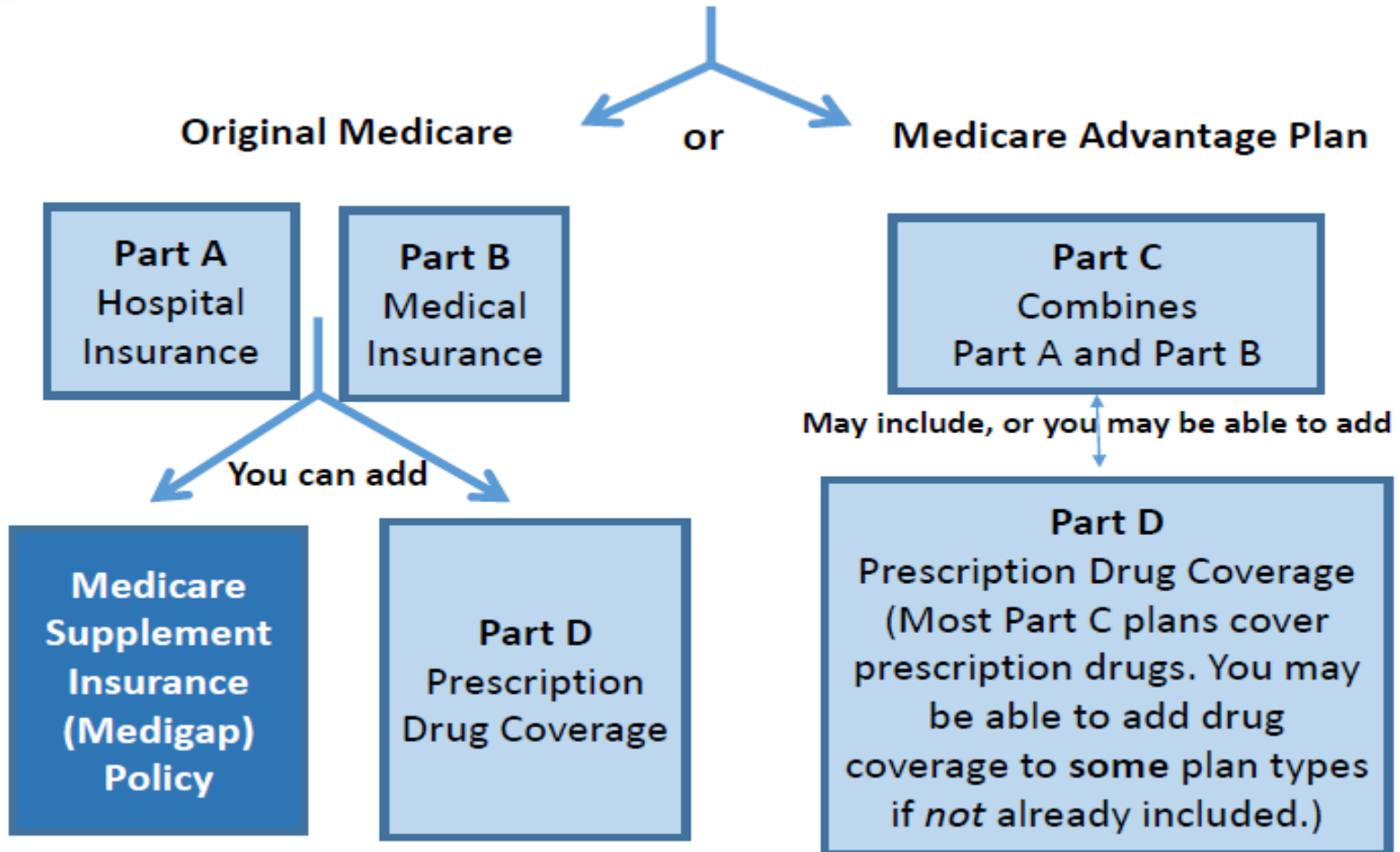


**Part C
Medicare
Advantage
Plans (like
HMOs/PPOs)**
Includes Part A,
Part B, and
sometimes Part
D coverage



**Part D
Medicare
Prescription
Drug
Coverage**

You Decide which Way to get your Medicare Coverage – **You Must have both Part A and B**



More Comprehensive Health. Pay fixed premiums every month for Supplemental and Drug plans. No Value Added options

Less Comprehensive Health. \$0 Premium. Includes many Valued Added Benefits. Dental, Vision, HealthClub, OTC allowance

Medicare Enrollment Periods

➤ Initial **E**nrollment **P**eriod **IEP**

This is the 7-month period when you are aging to 65. It is 3 months before age 65, the month you turn 65 and 3 months after age 65.

Applies to:

Part A and B of Original Medicare

Part D Prescription Drug plans and

Part C Medicare Advantage Plans and

Medicare Supplement/Medigap Plans

Medicare Enrollment Periods (cont'd)

- You May be able to join at other times
 - **S**pecial **E**nrollment **P**eriod **SEP**
 - Work beyond age 65 and leave Employer Group Coverage whether Employee coverage or coverage as a Dependent NOTE: You do not have to leave employment
You can enroll in Part B (60 days prior) with Part B effective the day after Group Coverage ends
 - You Move to another area
 - You resided outside the US and moved back to US

Medicare Enrollment Periods (cont'd)

➤ **Annual Enrollment Period AEP**

Occurs every year between

October 15 to December 7 (Coverage begins January 1)

ONLY Applies to:

Part D Prescription Drug Plans

Part C Medicare Advantage Plans

Important Annual Period for the rest of your Life

Enrolling in Medicare



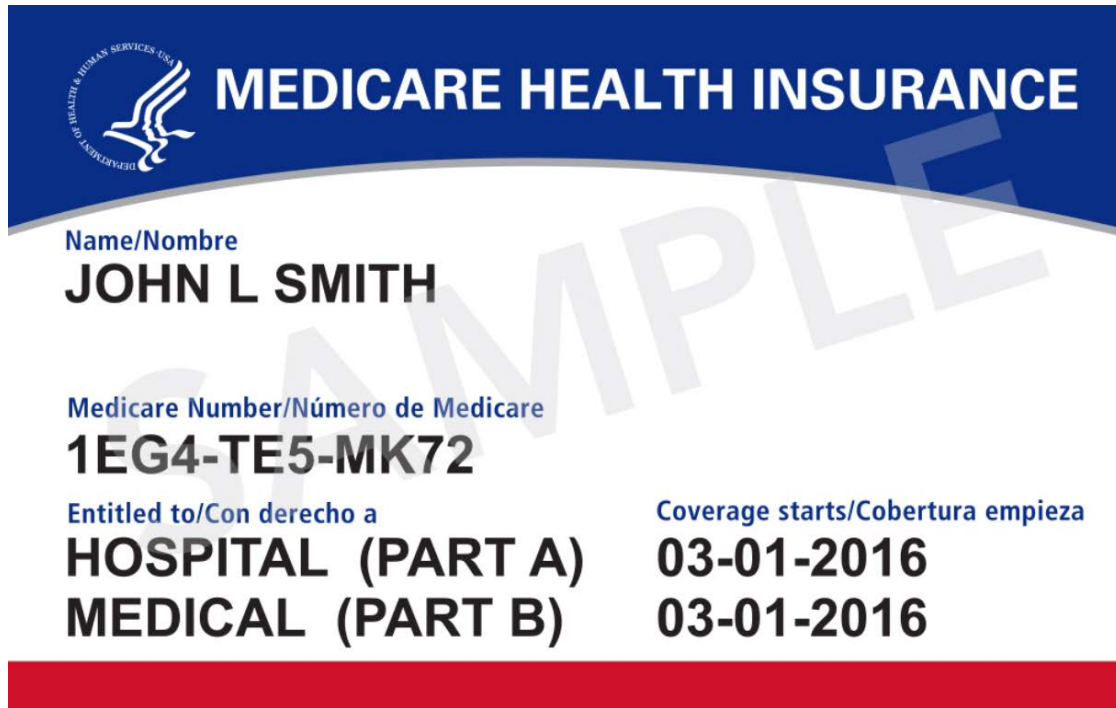
- You don't have to be retired – You Can continue to work and have Medicare.

Ways to Enroll:


- You are Automatically enrolled if receiving Social Security benefits
- Call 1-800-(Medicare) 633-4227
- www.ssa.gov via “**MySocialSecurity**” account
- If you have Part A but not Part B Complete CMS form 40B

Medicare Card

- You will receive your card approximately 4 weeks after you enroll for Part A or A and Part B.
- If you have previously enrolled in Part A only, and then enroll for Part B you will receive a NEW card with the same ID number.



The image shows a sample Medicare Health Insurance card. At the top left is the Department of Health & Human Services USA logo. The title 'MEDICARE HEALTH INSURANCE' is prominently displayed in white on a blue background. Below this, the cardholder's name 'JOHN L SMITH' is listed. The Medicare ID number '1EG4-TE5-MK72' is provided. The card also specifies the coverage for Hospital (Part A) and Medical (Part B), both starting on 03-01-2016. A large 'SAMPLE' watermark is overlaid diagonally across the card.

	MEDICARE HEALTH INSURANCE	
Name/Nombre	JOHN L SMITH	
Medicare Number/Número de Medicare	1EG4-TE5-MK72	
Entitled to/Con derecho a	HOSPITAL (PART A)	03-01-2016
	MEDICAL (PART B)	03-01-2016
	Coverage starts/Cobertura empieza	



Medicare & You 2022

The official U.S. government
Medicare handbook



- [Sign Up / Change Plans](#)
- [Your Medicare Costs](#)
- [What Medicare Covers](#)
- [Drug Coverage \(Part D\)](#)
- [Supplements & Other Insurance](#)
- [Claims & Appeals](#)
- [Manage Your Health](#)
- [Forms, Help, & Resources](#)

Make the most of your 2021 coverage

[See what Medicare covers](#)

[Find Health & Drug Plans](#)

[See how Medicare is responding to Coronavirus](#)

[Learn More](#)



Log in/Create account

Access your Medicare account



2021 Medicare Costs

See basic Medicare costs for 2021



Find care

Search all providers & facilities



Want a new plan now?

See if you can join

Original Medicare

- Part A (Hospital Insurance) helps cover:
 - Inpatient care in a hospital
 - Inpatient care in a skilled nursing facility
 - Hospice care
 - Home health care

- Part B (Medical Insurance) helps cover:
 - Doctors' services – Primary and Specialists
 - Outpatient medical & surgical services, supplies
 - Clinical lab tests & Diagnostic Tests
 - Durable medical equipment
 - Preventive services
 - Expensive Drugs – Cancer / Rheumatoid Drugs



Part B-Covered Preventive Services at 100%

- “Welcome to Medicare” preventive visit
- Annual “Wellness” visit
- Abdominal aortic aneurysm screening
- Alcohol misuse screening and counseling
- Behavioral therapy for cardiovascular disease
- Bone mass measurement
- Cardiovascular disease screenings
- Colorectal cancer screenings
- Depression screening
- Diabetes screenings
- Diabetes self-management training
- Flu shots
- Glaucoma tests
- Hepatitis B shots
- HIV screening
- Mammograms (screening)
- Obesity screening and counseling
- Pap test, pelvic exam, and clinical breast exam
- Pneumococcal pneumonia shot
- Prostate cancer screening
- Sexually transmitted infection screening (STIs) and high-intensity behavioral counseling to prevent STIs
- Smoking cessation
- **Covid Vaccine**

NOT Covered by Part A and Part B

- Long-term care
- Routine dental care including Dentures
- Hearing aids and exams for fitting hearing aids
- Routine Vision Care – eye exams related to prescribing Glasses
- Cosmetic surgery

Paying for Medicare Part A (Hospital Insurance)

- What does Part A cost?
 - Most people get Part A premium free
If you or your spouse paid Federal Insurance Contributions Act (FICA) taxes at least 10 years
 - If you paid FICA less than 10 years
You can pay a premium to get Part A

What You Pay for Inpatient Hospital Stays

For each benefit period in 2022	You pay
Days 1-60	\$1,556 deductible
Days 61-90	\$389 per day
Days 91-150	\$778 per day (60 lifetime reserve days)
All days after 150	All Costs

What You Pay for Skilled Nursing Facility Care

For each benefit period in 2022	You pay
Days 1-20	\$0
Days 21-100	\$194.50 per day
All days after 100	All Costs

Must meet all conditions

- Require daily skilled services - Not just long-term or custodial care
- Hospital inpatient 3 consecutive days or longer
- Admitted to SNF within specific timeframe
Generally 30 days after leaving hospital

Decision: Do I need to sign up for Part A?

- Consider
 - You get it automatically if getting Social Security/RRB
 - It's premium free for most people based on Work History for and/or your Spouse
 - You can pay for it if work history isn't sufficient
 - In 2021 \$259 or \$471 per month
 - If you/your spouse is actively working and covered by employer plan
- Maybe not if you have a Health Savings Account HSA

HSA Contribution Limits 2021

- HSA account holders can choose to save up to **\$3,600** for an Individual and **\$7,200** for a Family.
- Amounts are payroll deducted before tax
- HSA can be used to pay for Medicare B, C & D Premiums, out-of-pocket expenses for Deductibles, CoPays, Coinsurance, items Medicare does not cover –Dental, Vision, Hearing Aids, LTC premiums etc

Note: Premiums that are not an eligible expense – Medicare Supplements

Medicare Part B

What are your Costs?

- In Original Medicare Part B you pay
 - Yearly deductible of **\$233** in 2022
 - **20%** percent coinsurance
 - No Maximum Out of Pocket Limit
 - Additional 15% charge above the Medicare Allowable Charge if Physician does not accept assignment

Monthly Part B Premium

IRMAA – Income Related Medicare Adjustment Amount / part of ACA

You pay more for Part B and Part D based on Income

If your yearly income in 2020 was		In 2022, each month you pay
File Individual Tax Return	File Joint Tax Return	Part B / Part D
\$91,000 or less	\$182,000 or less	\$170.10 / N/A
\$91,000.01 – \$114,000	\$182,000.01 – \$228,000	\$238.10/12.40=\$250.50
\$114,000.01 – \$142,000	\$228,000.01 – \$284,000	\$340.20/32.10=\$372.30
\$142,000 – \$170,000	\$284,000.01 – \$340,000	\$442.30/51.70=\$494.00
\$170,000 - \$500,000	\$340,000 - \$750,000	\$544.30/71.30=\$615.60
Above \$500,000	Above \$750,000	\$578.30/77.90=\$656.20

Note: Premiums can be deducted from your Social Security benefit payment or if you are not taking Soc Sec, you are billed quarterly or can have a Monthly Automatic Bank Deduction.

Decision: Should I Sign up for Part B?

- **YES** - if you DON'T have Group Insurance coverage from your Employer

Note: If you DO have Group Insurance coverage from your Employer you want to **Delay** Part B unless your Employer has below 20 employees –

THEN PART B REQUIRED

- **YES** – if you have Individual Medical Coverage and are turning age 65
- **YES** – if your Group plan premium and out of pocket costs are more than what Medicare will cost.

Should I Sign up for Part B?

- **You must have Part B**
 - If you want to buy a Medicare Supplement
 - If you want to join a Medicare Advantage Plan
- **What if I have Veterans benefits ?**
 - If you don't sign up during your **I**nitial **E**nrollment **P**eriod **IEP** – and decide to enroll at a later time you will have a Late Penalty
 - Veterans Health is **NOT** considered Creditable Coverage by CMS

Enrollment in Part B beyond the age of 65

- CMS started to require in 2016 that Individuals who enrolled in Part B beyond age 65 had to verify they had Creditable Coverage
- CMS requires that Form L564 is completed by your employer, and you submit to Soc Sec when you enroll in Part B
- In addition, CMS is requiring the Insurance Companies providing the Medicare Part C Advantage/Part D Drug Plans to verify creditable coverage was in force on the prior plan.

What Is a Medigap/Medicare Supplement Policy?

- Medicare Supplement Insurance Policies
 - Provided by Life and Health Ins Companies
- Fills Gaps in Original Medicare Part A & B
 - Deductibles, Coinsurance, Copayments
- There is a Monthly Premium
- There are up to 8 different plans to choose
(10 plans if 65 prior to 1/1/20)
 - Each of the lettered plans have same health coverage no matter what Insurance Company
 - Premiums vary by Insurance Company

MEDICARE FIRST
ELIGIBLE BEFORE
2020 ONLY

Benefits	A	B	D	G ¹	K ²	L ²	M	N ³	C	F ¹
Medicare Part A coinsurance and hospital coverage (up to an additional 365 days after Medicare benefits are used up)	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Medicare Part B coinsurance or copayment	100%	100%	100%	100%	50%	75%	100%	100% ³	100%	100%
Blood (first three pints)	100%	100%	100%	100%	50%	75%	100%	100%	100%	100%
Part A hospice care coinsurance or copayment	100%	100%	100%	100%	50%	75%	100%	100%	100%	100%
Skilled nursing facility coinsurance			100%	100%	50%	75%	100%	100%	100%	100%
Medicare Part A deductible		100%	100%	100%	50%	75%	50%	100%	100%	100%
Medicare Part B deductible									100%	100%
Medicare Part B excess charges				100%						100%
Foreign travel emergency (up to plan limits)			80%	80%			80%	80%	80%	80%
Out-of-pocket limit					\$6,220	\$3,110				

¹ Plans F and G also have a high deductible option, which require first paying a plan deductible of \$2,370 before the plan begins to pay. Once the plan deductible is met, the plan pays 100% of covered services for the rest of the calendar year. High deductible plan G does not cover the Medicare Part B deductible. These high deductible options are not offered by Blue KC.

High deductible plans F and G count your payment of the Medicare Part B deductible toward meeting the plan deductible.

² Plans K and L pay 100% of covered services for the rest of the calendar year once you meet the out-of-pocket yearly limit.

³ Plan N pays 100% of the Part B coinsurance, except for a copayment of up to \$20 for some office visits and up to a \$50 copayment for emergency room visits that do not result in an inpatient admission.

When Is the Best Time to Buy a **Medicare** Supplement Policy?

- Usually During your **OE** **O**pen **E**nrollment Period
- Your Medicare Supplement **O**pen **E**nrollment Period begins when you're 65 or older and 1st enrolled in Part B
 - **OE** lasts 6 months (may vary by state)
 - You have protections – Insurance Companies **MUST** sell you a plan with **NO** pre-existing health limitations
- You can also buy a Medicare Supplement policy whenever a company agrees to sell you one – typically subject to you satisfying their Medical Underwriting – i.e., Health Questions

How Medicare Part D Works



- In Acted in 2006 - Available for all people with Medicare A and/or B
 - Stand Alone Medicare Prescription Drug Plans
 - Part of Part C Medicare Advantage Plans
 - Some other Medicare health plans - i.e., people with Special Needs
- All Plans have a Drug formulary (List of Covered Drugs)
and a 5 Tier Structure that Drugs in the Plan's Formulary are placed
Preferred Generic, Generic, Preferred Brand, Non-Preferred Drug and Specialty
 - Every Plan must include at least 2 Drugs in each Medical category
- You pay the plan a Monthly Premium
- You pay Coinsurance and Copayments

You could have a late Penalty - Medicare calculates the penalty by multiplying 1% of the "national base beneficiary premium" (\$33.37 in 2022) times the number of full, uncovered months you didn't have Part D or creditable coverage. The monthly premium is rounded to the nearest \$. 10 and added to your monthly Part D premium.

Part D Coverage Gap – Better known as the “Donut Hole”

- There are 4 levels of the Coverage Gap
 - 1. Deductible** – 2022 up to \$480 What triggers the Deductible is a Tier **3** Brand Tier **4** Non-Preferred Drug or a Tier **5** Specialty Tier Drug
 - 2. Initial Coverage Phase** – After Deductible you pay a Copay or Coinsurance until **\$4,430** of total retail cost of drugs is reached in a calendar year.
 - 3. Coverage Gap Phase** – you are responsible for entire cost of your Drugs after exceeding **\$4,430** for next **\$2,620**. However, your Drugs are discounted 75% for Generic and Brand. You Pay the 25%
 - 4. Catastrophic Phase** – when total retail costs reach **\$7,050** in calendar year THEN your costs REDUCE to 5% of the retail price of your drugs for remainder of the calendar year.

Part C – Medicare Advantage

- CMS has strong oversight of these plans
 - Has to cover everything Parts A and B cover
 - Still part of the Medicare program
 - Offered by private Health Insurance Companies
- Medicare pays the Insurance Co a flat amount each month for the member's plan – On Avg. \$13,000 per annual subscriber in 2022
- Typically, will have to use a network of Doctors or Hospitals HMO's or PPO's. **Usually NO DEDUCTIBLE – Just CoPays and Coinsurance**
- Prescription Drug coverage is included
- Types of plans available will vary by networks, benefits and premium. **Out-of-Pocket Max. expense in 2022 is \$7550**
- May include extra benefits like Dental, Vision, Hearing Aids
Health Club Dues, Transportation, OTC allowance, Meals

Should I Join a Medicare Advantage Plan?



- Other Considerations:
 - You must have Medicare Part A and Part B to join
 - You must live in the service area of the plan
 - Each Year a Plan's Network of Doctor's and Hospitals can Change
 - Each Year a Plan's Copays and Coinsurance and Drug coverage can change
 - Most Plans require a Primary Care referral to see a Specialist
 - **Premium – many plans have very low or even \$0 premium per month**
 - Can only join/leave plan during certain periods – **i.e., AEP**

Thank You



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